

**EAST GOSHEN TOWNSHIP**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

*Year Ended December 31, 2025*

## **INTRODUCTORY SECTION**

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**DECEMBER 31, 2025**

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## **FINANCIAL SECTION**

## ***Independent Auditors' Report***

To the Board of Supervisors  
East Goshen Township  
West Chester, Pennsylvania

### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of East Goshen Township as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise East Goshen Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of East Goshen Township as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Goshen Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

East Goshen Township's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the Board of Supervisors  
East Goshen Township  
West Chester, Pennsylvania

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East Goshen Township's ability continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of East Goshen Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Goshen Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Supervisors  
East Goshen Township  
West Chester, Pennsylvania

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6 through 16, budgetary comparison information on pages 57 through 59 and pension plan information on pages 60 through 65 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise East Goshen Township's basic financial statements. The Combining Balance Sheet and the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



New Castle, Delaware  
April 2, 2026

# **EAST GOSHEN TOWNSHIP**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

**YEAR ENDED DECEMBER 31, 2025**

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Our discussion and analysis of the East Goshen Township (Township) financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the Township's financial statements, which begin with the statement of net position.

### **FINANCIAL HIGHLIGHTS**

- The Governmental Accounting Standards Board (GASB) has required all state and local governments to implement a governmental financial reporting model known as GASB 34. The Township's audited financial statements for fiscal year 2025 are compliant with GASB 34.
- The net position of the Township at the close of the 2025 fiscal year was \$44,701,587. Because retroactive reporting of general infrastructure assets is not required for the Township as a Phase 3 government under GASB 34 requirements, capital assets include only general infrastructure assets acquired from 2004 forward.
- The total net position of the governmental activities (General, Bond Fund, Capital Reserve, Road Improvements, Infrastructure and State Liquid Fuels (Highway Aid) Funds) is \$33,479,813. The comparable total as of December 31, 2024, was \$33,755,023.
- The net position of the business-type activities (Refuse, Sewer, Sewer Capital Reserve and Municipal Authority Funds) is \$11,221,774. The unrestricted net position for the business-type activities as of December 31, 2025, is \$4,797,159 while \$6,424,615 is invested in capital assets.
- The Township implemented a local real estate tax of 1.75 mills in 2025.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Township's fiscal year 2025 financial statements. The Township's fiscal year 2025 financial statements are comprised of five components: (1) independent auditors' report, (2) management's discussion and analysis, (3) government-wide financial statements, (4) fund financial statements and (5) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Independent Auditors' Report**

The *Independent Auditors' Report* briefly describes the audit engagement and also renders an opinion as to the material components of the Township's financial statements.

# EAST GOSHEN TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

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### **Management's Discussion and Analysis (MD&A)**

*Management's Discussion and Analysis*, prepared by Township staff, provides a narrative introduction and overview that users of the financial statements need to interpret the basic financial statements. The *MD&A* also provides analysis of some key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

### **Government-Wide Financial Statements**

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Township's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *Statement of Activities* presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The *Government-wide Financial Statements*, which can be found on pages 17 and 18 of this report, distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The *governmental activities* of the Township include general government, public safety (police, fire and codes), highways and streets, economic development and culture and recreation. The *business-type activities* include the sewer, refuse and Municipal Authority operations.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds** - *Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information is useful in evaluating the Township's near-term financing requirements.

# EAST GOSHEN TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

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Because the focus of Governmental Funds is more narrow than that of the Government-wide Financial Statements, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *governmental activities* in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the Governmental Funds balance sheet and the Governmental Funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *Governmental Funds* and *governmental activities*.

The Township maintains six individual Governmental Funds. Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures and changes in fund balances for the General Fund, which is considered to be a major fund. The Township's six Governmental Funds are the General Fund, the Bond Fund, the Road Improvements Fund, the Capital Reserve Fund, Infrastructure Fund, and the State Liquid Fuels (Highway Aid) Fund. During the current year, the Township closed the COVID Relief Fund. The closure resulted from the completion of the fund's intended purpose and the transfer of remaining assets to other Governmental Funds. The basic Governmental Funds financial statements can be found on pages 19 through 22 of this report.

**Proprietary Funds** - There are two different types of Proprietary Funds: Enterprise Funds and Internal Service Funds. The Township uses *Enterprise Funds* to report the same functions presented as *business-type activities* in the Government-wide Financial Statements. The Township uses Enterprise Funds to account for its Refuse Fund, Sewer Fund, Sewer Capital Reserve Fund and Municipal Authority Fund. The Township has no Internal Service Funds.

Proprietary Funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The Proprietary Funds financial statements provide separate information for the individual Enterprise Funds, all of which are considered to be major funds of the Township.

The Proprietary Funds financial statements can be found on pages 23 through 25 of this report.

**Fiduciary Funds** - Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are *not* reflected in the Government-wide Financial Statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The Township has four Fiduciary Funds: the Non-Uniformed Pension Fund, the Non-Uniformed Defined Contribution Pension Fund, the Firemen's Pension Fund, and the Police Pension Trust Fund.

The Fiduciary Funds financial statements can be found on pages 26 and 27 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

The notes to the financial statements can be found on pages 28 through 56 of this report.

# EAST GOSHEN TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

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### Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* for the Township. The Township's budget policy and budgetary comparison statement for the General Fund can be found under required supplementary information. The budgetary comparison statement for the General Fund demonstrates compliance of the budget.

Required supplementary information can be found on pages 57 through 65 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, the statement of net position (as shown below) may serve over time as a useful indicator of the Township's financial position. The Township's total net position was \$44,701,587 and \$43,699,215 at the close of December 31, 2025 and 2024, respectively. This represents an increase of \$1,002,372, or 2.3%.

The Township's investment in capital assets reflects the investment in land, building, machinery and equipment, etc., less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The debt outstanding is currently more than the reported investment in capital assets because retroactive reporting of general infrastructure assets is not required for the Township as a Phase 3 government under GASB 34 requirements. The Township has elected to include only general infrastructure assets acquired subsequent to December 31, 2003. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining Township net position, \$3,793,665 at December 31, 2025 and \$3,264,424 at 2024, represents resources that are subject to external restrictions on how they may be used. This is the net position of the Net Pension Asset, Road Improvements Fund, Infrastructure Fund, and the State Liquid Fuels (Highway Aid) Fund.

The majority of the Township's net position at December 31, 2025, \$19,732,935 or 44.14%, is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors and to fund future capital asset replacement needs compared to \$19,614,284 or 44.88% at December 31, 2024.

**EAST GOSHEN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2025**

**Statement of Net Position**

	2025			2024		
	Governmental Activities	Business-Type Activities	Totals	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>						
Current and other assets	\$ 21,615,507	\$ 4,904,503	\$ 26,520,010	\$ 21,621,684	\$ 4,425,897	\$ 26,047,581
Capital assets	18,929,705	13,308,630	32,238,335	19,131,594	13,447,354	32,578,948
TOTAL ASSETS	<u>40,545,212</u>	<u>18,213,133</u>	<u>58,758,345</u>	<u>40,753,278</u>	<u>17,873,251</u>	<u>58,626,529</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>188,293</u>	<u>-</u>	<u>188,293</u>	<u>113,625</u>	<u>-</u>	<u>113,625</u>
<b>LIABILITIES</b>						
Other liabilities	391,447	107,344	498,791	609,661	324,924	934,585
Long-term liabilities	5,046,727	6,884,015	11,930,742	5,027,406	7,604,135	12,631,541
TOTAL LIABILITIES	<u>5,438,174</u>	<u>6,991,359</u>	<u>12,429,533</u>	<u>5,637,067</u>	<u>7,929,059</u>	<u>13,566,126</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,815,518</u>	<u>-</u>	<u>1,815,518</u>	<u>1,474,813</u>	<u>-</u>	<u>1,474,813</u>
<b>NET POSITION</b>						
Net investment in capital assets	14,750,372	6,424,615	21,174,987	14,977,288	5,843,219	20,820,507
Restricted	3,793,665	-	3,793,665	3,264,424	-	3,264,424
Unrestricted	14,935,776	4,797,159	19,732,935	15,513,311	4,100,973	19,614,284
TOTAL NET POSITION	<u>\$ 33,479,813</u>	<u>\$ 11,221,774</u>	<u>\$ 44,701,587</u>	<u>\$ 33,755,023</u>	<u>\$ 9,944,192</u>	<u>\$ 43,699,215</u>

The Township's Statement of Activities shows how the net position changed during the fiscal year 2025. The Statement of Activities can be found on page 18 of this report.

As shown on the Statement of Activities, the Township's net position increased by \$1,002,372 from January 1, 2025. This amount is comprised of a \$275,210 decrease from governmental activities (General, Bond, Capital Reserve, Road Improvements, Infrastructure, and State Liquid Fuels (Highway Aid) Funds) and a \$1,277,582 increase from business-type activities (Refuse, Sewer, Sewer Capital Reserve and Municipal Authority Funds).

**Governmental Activities**

To understand how the net position changed in the governmental activities, you must look at the "Statement of Revenues, Expenditures and Changes in Fund Balances" (page 21) along with the "Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities" (page 22).

**Fund Financial Statements**

On page 21, the Governmental Funds are broken down individually to show the "Net Change in Fund Balances" for each fund. The total of these individual changes is \$506,064, and it decreases the fund balances from January 1, 2025 to December 31, 2025. The total fund balances at December 31, 2025, are \$16,827,162.

# EAST GOSHEN TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

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The reconciliation on page 22 explains how the Township arrived at the \$275,210 decrease in net position of the governmental activities from the Governmental funds. Most of the change is due to the repayment of debt in the amount of \$330,000, which reduces long-term liabilities in the Statement of Net Position and the amount of \$300,011 by which depreciation exceeds capital outlays in the current period.

The *General Fund* reflects an increase of \$223,249 in fund balance for the year. The fund balance at December 31, 2025, is \$9,047,786.

The *Bond Fund* reflects a decrease of \$220,646 in fund balance for the year. The fund balance at December 31, 2025, is \$601,476.

The *Capital Reserve Fund* reflects a decrease of \$365,063 in fund balance for the year. Provisions are made to fund future capital asset replacement needs based on a detailed lapsing schedule which takes into consideration estimated useful lives of assets as well as inflationary cost increases. The fund balance at December 31, 2025, is \$5,196,719.

The *COVID Relief Fund* reflects an decrease of \$33,877 in fund balance for the year. The fund balance at December 31, 2025, is \$0 as the fund was closed out in the current year. The closure resulted from the completion of the fund's intended purpose and the transfer of remaining assets to other Governmental Funds.

The *State Liquid Fuels Highway Aid Fund* reflects an increase of \$36 in fund balance for the year. The fund balance at December 31, 2025, is \$1,256.

The *Road Improvements Fund* reflects an increase in its fund balance of \$16,391. The fund balance at December 31, 2025, is \$536,864.

The *Infrastructure Fund* reflects a decrease of \$126,154 in fund balance for the year. The fund balance at December 31, 2025, is \$1,443,061.

The table below shows the percent of program revenues to expenditures for all the governmental activities.

### Expenses - Governmental Funds

	2025	2024	Increase (Decrease)
General government	\$ 2,130,063	\$ 2,038,928	\$ 91,135
Public safety	6,436,580	6,401,553	35,027
Sanitation	122,901	129,989	(7,088)
Highways and streets	2,642,722	2,060,565	582,157
Culture and recreation	1,113,904	1,004,963	108,941
Conservation and development	1,768	5,663	(3,895)
Principal and interest on long-term debt	465,000	461,400	3,600
Capital outlay and miscellaneous	1,636,724	2,751,416	(1,114,692)
	<u>\$ 14,549,662</u>	<u>\$ 14,854,477</u>	<u>\$ (304,815)</u>

Expenses in Governmental Funds decreased by \$304,815, or 2.1%, between the years 2024 and 2025, primarily due less capital outlays and miscellaneous expenditures. The Township's governmental revenues are generated from a variety of sources. Total revenues for Governmental Funds shown on the "Statement of Revenues, Expenditures and Changes in Fund Balances" (page 21) for fiscal year 2025 were \$13,755,982.

**EAST GOSHEN TOWNSHIP**

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

The percent of these revenues by source was as follows:

	2025 Revenues by Source	2025 % of Total	2024 Revenues by Source	2024 % of Total
Taxes	\$ 10,353,692	75.3%	\$ 10,230,210	72.4%
Fees, licenses and permits	380,467	2.8%	395,987	2.8%
Fines and forfeits	119,124	0.9%	119,045	0.8%
Interest and rents	846,164	6.2%	1,052,568	7.4%
Intergovernmental	1,072,231	7.8%	1,336,209	9.5%
Charges for services	839,354	6.1%	802,346	5.7%
Miscellaneous	144,950	1.1%	203,845	1.4%
	<u>\$ 13,755,982</u>	<u>100.0%</u>	<u>\$ 14,140,210</u>	<u>100.0%</u>

**Business-Type Activities**

As noted previously in this MD&A, the increase in net position for business-type activities (Refuse, Sewer, Sewer Capital Reserve and Municipal Authority Funds) was \$1,277,582 (page 18).

The business-type activities referred to in the Government-wide Financial Statements (pages 17 and 18) are reported as Proprietary (or Enterprise) Funds in the Fund Financial Statements (pages 23 through 25).

The *Sewer Fund’s* share of the \$1,277,582 increase in net position was an increase of \$1,372,101 for 2025, as compared to an increase of \$967,217 for 2024.

***Sewer Fund Statements of Revenues, Expenses and Changes in Net Position  
2025 Comparison to 2024***

	2025	2024
OPERATING REVENUES	\$ 4,209,875	\$ 3,827,161
OPERATING EXPENSES	<u>3,309,835</u>	<u>3,411,633</u>
OPERATING INCOME	900,040	415,528
NONOPERATING REVENUES (EXPENSES), NET	<u>(185,315)</u>	<u>(217,591)</u>
INCOME (LOSS) BEFORE INTERFUND TRANSFERS	714,725	197,937
INTERFUND TRANSFERS, NET	<u>657,376</u>	<u>769,280</u>
CHANGE IN NET POSITION	<u>\$ 1,372,101</u>	<u>\$ 967,217</u>

# EAST GOSHEN TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

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Quarterly sewage usage charges billed to residential and commercial customers were changed from flat rate to metered billing rate in the second quarter of 2010. The rates changed in July 2024 from \$9.70/thousand gallons and \$35.61 fixed/quarter to \$10.20/thousand gallons and \$60.61 fixed/quarter.

The *Refuse Fund's* experienced a decrease in net position of \$147,037 for 2025 due to higher costs for processing recycled materials. The Refuse Fund's net position decreased by \$38,835 in 2024.

### ***Refuse Fund Statements of Revenues, Expenses and Changes in Net Position 2025 Comparison to 2024***

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES	\$ 1,372,907	\$ 1,367,095
OPERATING EXPENSES	<u>1,532,210</u>	<u>1,469,594</u>
OPERATING INCOME (LOSS)	(159,303)	(102,499)
NONOPERATING REVENUES, NET	<u>12,266</u>	<u>63,664</u>
CHANGE IN NET POSITION	<u>\$ (147,037)</u>	<u>\$ (38,835)</u>

The current refuse rate is \$100/quarter.

The *Municipal Authority* experienced an increase in net position of \$8,079 for the year 2025. The Municipal Authority's net position increased by \$4,316 for the year 2024.

### ***Municipal Authority Statements of Revenues, Expenses and Changes in Net Position 2025 Comparison to 2024***

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES	\$ 780,367	\$ 780,891
OPERATING EXPENSES	<u>165,856</u>	<u>119,954</u>
OPERATING INCOME	614,511	660,937
NONOPERATING REVENUES (EXPENSES), NET	<u>(41,146)</u>	<u>(25,475)</u>
INCOME BEFORE INTERFUND TRANSFERS	573,365	635,462
INTERFUND TRANSFERS, NET	<u>(565,286)</u>	<u>(631,146)</u>
CHANGE IN NET POSITION	<u>\$ 8,079</u>	<u>\$ 4,316</u>

# **EAST GOSHEN TOWNSHIP**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

**YEAR ENDED DECEMBER 31, 2025**

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The East Goshen Municipal Authority is a component unit of East Goshen Township, which was established in 1967 to finance construction of the Township's sewage collection and treatment facilities. The major function of the Authority is to provide financing for capital construction, expansion and upgrades to the Township's sewer plants and other facilities. The Township has the responsibility for daily operations of the sewer system through a leaseback arrangement with the Authority which expires in 2033.

The lease agreement requires that the Township pay rents to the Authority equal to the amount of the Authority's monthly debt service on long-term guaranteed notes payable to the Delaware Valley Regional Finance Authority.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

#### **Revenues**

During the year, General Fund revenues were greater than budgetary estimates by \$366,861.

*Total tax revenues* were over budget by \$271,137. Earned Income Tax was over budget by \$294,651 or about 5.0%.

*Interest earnings and rents* were \$77,533 over budget as the Federal Reserve did not lower interest rates as quickly as anticipated.

*Miscellaneous revenues* were over budget by \$88,060 from various unbudgeted sources.

#### **Expenses**

General Fund expenses were over budget by \$371,268 for 2025.

*General government* expenses were over budget by \$204,323 due to higher engineering costs and earned income tax refunds.

*Public Works – Highways and Streets* expenses were over budget by \$216,627 due to higher snow removal and related costs.

*Public safety* (police and fire) expenses were \$150,459 under budget due to less WEGO contributions needed than anticipated.

# **EAST GOSHEN TOWNSHIP**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

**YEAR ENDED DECEMBER 31, 2025**

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### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The Township's total capital assets for its governmental and business-type activities as of December 31, 2025, were \$32,238,335. This includes land, buildings and improvements, furniture and equipment, software, automobiles and trucks, land improvements and infrastructure. Infrastructure includes roads, bridges, storm water and sewer lines and traffic signals.

#### **Long-Term Debt**

At the end of the fiscal year, the Township had total long-term debt outstanding of \$11,501,000. This debt consists of three general obligation notes and two guaranteed notes payable to the Delaware Valley Regional Finance Authority (DVRFA) and backed by the full faith and credit of the government, one series of general obligation bonds issued in 2017 backed by the full faith and credit of the government, and a portion of Westtown Township's general obligation bonds issued for the construction of the police building, per an Intergovernmental Subsidy Agreement with Westtown Township. Details of the Township's debt holdings and related long-term debt service requirements can be found in Note G to these financial statements on pages 43 through 46. Details of the Township's relationship with Westtown for police services can be found in Note I of these financial statements on page 57.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

#### **Economic Factors**

Goshen was part of the "Welsh Tract" that was granted by William Penn in 1684. In 1799, the Borough of West Chester was chartered and split off from Goshen Township. In 1817, East Goshen Township was incorporated when the Township of Goshen was further divided into two Townships--East and West Goshen. East Goshen Township encompasses an area of 10 square miles and services a community of 18,410 residents. The Township owns and maintains 67 miles of road and over 500 acres of parkland and/or open space.

The major function of the Township is to provide local government services to its residents as specified in the Second Class Township Code. A five-member Board of Supervisors, elected by the voters, governs the Township. The Board establishes the policies which determine services provided, the amount of taxes levied and regulation of public safety, land use control, land subdivision, road construction and road maintenance. The Township is a charter member of the Westtown-East Goshen Regional Police Department, and the Department provides police and detective services to Township residents. The Board of Supervisors and Township Staff together maintain short-term and long-term policies and strategies to continue the strong financial status of East Goshen Township as a AAA-Bond rated municipality.

An unexpected increase in Earned Income Tax and Real Estate Transfer Tax collections, alarm ordinance fees, elevated interest rates and summer program revenue drove a revenue surplus, allowing a surplus to remain in the General Fund even after the annual Capital Reserve Fund transfer and paying the January 2026 WEGO contribution in December 2025.

# **EAST GOSHEN TOWNSHIP**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

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## **Next Year's Budget**

East Goshen Township's 2026 budget utilizes a net-zero fiscal strategy, matching aggressive revenue projections from Earned Income and Real Estate Transfer taxes against a mandate to maintain non-public safety expenditures at or below 2025 levels. Economic volatility stemming from U.S. policy changes, specifically regarding tariffs and fiscal stimulus, combined with sustained spikes in global energy prices, presents the primary risk to our 2026 budget expectations. These factors are driving up the direct cost of fuel for municipal operations and creating secondary inflationary pressure on the procurement of all goods and services, while simultaneously elevating interest rates and slowing the anticipated decline in borrowing costs for capital projects.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the funds it receives and disburses. If you have questions about this report or to request additional financial information, please contact the Director of Finance at 1580 Paoli Pike, West Chester, PA 19380.

**EAST GOSHEN TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,723,714	\$ 3,676,991	\$ 15,400,705
Investments	4,228,000	728,000	4,956,000
Receivables, net	1,857,893	430,449	2,288,342
Lease receivable	1,254,378	-	1,254,378
Prepaid expenses	739,038	69,063	808,101
Net pension asset	1,812,484	-	1,812,484
Capital assets not being depreciated	120,085	-	120,085
Capital assets being depreciated, net	18,809,620	13,308,630	32,118,250
TOTAL ASSETS	<u>40,545,212</u>	<u>18,213,133</u>	<u>58,758,345</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources, pension activity	188,293	-	188,293
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	232,695	90,749	323,444
Accrued interest	32,277	16,595	48,872
Finance purchase obligations	126,475	-	126,475
Long-term liabilities			
Portion due or payable within one year			
Bonds and notes payable	337,094	747,120	1,084,214
Portion due or payable after one year			
Compensated absences	392,393	-	392,393
Bonds and notes payable	4,317,240	6,136,895	10,454,135
TOTAL LIABILITIES	<u>5,438,174</u>	<u>6,991,359</u>	<u>12,429,533</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pension activity	682,089	-	682,089
Deferred inflows of resources, lease activity	1,133,429	-	1,133,429
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,815,518</u>	<u>-</u>	<u>1,815,518</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,750,372	6,424,615	21,174,987
Restricted for			
Net pension asset	1,812,484	-	1,812,484
Road improvements	536,864	-	536,864
Infrastructure projects	1,443,061	-	1,443,061
Other projects	1,256	-	1,256
Unrestricted	14,935,776	4,797,159	19,732,935
TOTAL NET POSITION	<u>\$ 33,479,813</u>	<u>\$ 11,221,774</u>	<u>\$ 44,701,587</u>

See accompanying notes to the basic financial statements.

**EAST GOSHEN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 2,427,675	\$ 36,321	\$ -	\$ -
Public safety	7,058,881	481,030	531,374	-
Public works				
Sanitation	434,084	-	-	-
Highways and streets	2,744,915	14,604	526,277	-
Culture and recreation	1,285,056	339,429	-	-
Conservation and development	2,238	-	-	-
Interest on long-term debt	131,247	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>14,084,096</b>	<b>871,384</b>	<b>1,057,651</b>	<b>-</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Refuse	1,532,210	1,372,907	-	-
Sewer	3,772,041	4,992,992	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>5,304,251</b>	<b>6,365,899</b>	<b>-</b>	<b>-</b>
<b>TOTAL TOWNSHIP ACTIVITIES</b>	<b>\$ 19,388,347</b>	<b>\$ 7,237,283</b>	<b>\$ 1,057,651</b>	<b>\$ -</b>

**GENERAL REVENUES**

- Property taxes, levied for general purposes
- Real estate transfer taxes
- Earned income tax
- Local services tax
- Franchise taxes
- Public realty tax
- Permits and fees
- Fines and forfeitures
- Unrestricted investment earnings
- Gain on disposal of capital assets
- Miscellaneous

**TOTAL GENERAL REVENUES**

**CHANGE IN NET POSITION BEFORE TRANSFERS**

**TRANSFERS**

**CHANGE IN NET POSITION**

**NET POSITION AT BEGINNING OF YEAR**

**NET POSITION AT END OF YEAR**

*See accompanying notes to the basic financial statements.*

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (2,391,354)	\$ -	\$ (2,391,354)
(6,046,477)	-	(6,046,477)
(434,084)	-	(434,084)
(2,204,034)	-	(2,204,034)
(945,627)	-	(945,627)
(2,238)	-	(2,238)
(131,247)	-	(131,247)
<u>(12,155,061)</u>	<u>-</u>	<u>(12,155,061)</u>
-	(159,303)	(159,303)
-	1,220,951	1,220,951
<u>-</u>	<u>1,061,648</u>	<u>1,061,648</u>
<u>(12,155,061)</u>	<u>1,061,648</u>	<u>(11,093,413)</u>
2,832,431	-	2,832,431
982,197	-	982,197
6,160,066	-	6,160,066
359,114	-	359,114
373,991	-	373,991
9,418	-	9,418
6,476	-	6,476
119,124	-	119,124
653,343	161,555	814,898
73,747	52,300	126,047
310,903	1,120	312,023
<u>11,880,810</u>	<u>214,975</u>	<u>12,095,785</u>
(274,251)	1,276,623	1,002,372
<u>(959)</u>	<u>959</u>	<u>-</u>
(275,210)	1,277,582	1,002,372
<u>33,755,023</u>	<u>9,944,192</u>	<u>43,699,215</u>
<u>\$ 33,479,813</u>	<u>\$ 11,221,774</u>	<u>\$ 44,701,587</u>

**EAST GOSHEN TOWNSHIP**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2025**

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Capital Reserve Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,438,620	\$ 601,476	\$ 3,450,297
Investments	1,728,000	-	1,750,000
Taxes receivable, net	1,857,893	-	-
Lease receivable	1,254,378	-	-
Prepaid expenses	739,038	-	-
	<u>12,017,929</u>	<u>601,476</u>	<u>5,200,297</u>
<b>TOTAL ASSETS</b>	<b>\$ 12,017,929</b>	<b>\$ 601,476</b>	<b>\$ 5,200,297</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 157,013	\$ -	\$ 3,578
Accrued salaries and benefits	69,964	-	-
	<u>226,977</u>	<u>-</u>	<u>3,578</u>
<b>TOTAL LIABILITIES</b>	<b>226,977</b>	<b>-</b>	<b>3,578</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease activity	1,133,429	-	-
Unavailable revenues			
Earned income taxes	1,602,851	-	-
Real estate taxes	6,886	-	-
	<u>2,743,166</u>	<u>-</u>	<u>-</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,743,166</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable, prepaid expenses	739,038	-	-
Restricted			
Capital projects	-	601,476	-
Road improvements	-	-	-
Infrastructure projects	-	-	-
Other projects	-	-	-
Assigned			
Capital projects	-	-	5,196,719
Operating reserve	3,228,936	-	-
Unassigned	5,079,812	-	-
	<u>9,047,786</u>	<u>601,476</u>	<u>5,196,719</u>
<b>TOTAL FUND BALANCES</b>	<b>9,047,786</b>	<b>601,476</b>	<b>5,196,719</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 12,017,929</b>	<b>\$ 601,476</b>	<b>\$ 5,200,297</b>

See accompanying notes to the basic financial statements.

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Other Governmental Funds	Total Governmental Funds
\$ 1,233,321	\$ 11,723,714
750,000	4,228,000
-	1,857,893
-	1,254,378
-	739,038
<u>1,983,321</u>	<u>19,803,023</u>

\$ 2,140	\$ 162,731
-	69,964
<u>2,140</u>	<u>232,695</u>

-	1,133,429
-	1,602,851
-	6,886
<u>-</u>	<u>2,743,166</u>

-	739,038
-	601,476
536,864	536,864
1,443,061	1,443,061
1,256	1,256
-	5,196,719
-	3,228,936
-	5,079,812
<u>1,981,181</u>	<u>16,827,162</u>

\$ <u>1,983,321</u>	\$ <u>19,803,023</u>
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# EAST GOSHEN TOWNSHIP

## RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2025

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TOTAL GOVERNMENTAL FUNDS BALANCES \$ 16,827,162

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:

Historical treasures	24,267
Construction in progress	95,818
Infrastructure	13,145,396
Vehicles	2,992,625
Buildings and improvements	11,003,745
Software	153,500
Machinery, equipment and furniture	4,159,035
Accumulated depreciation	(12,644,681)

Pension assets resulting from contributions in excess of the annual required contribution are not financial resources and, therefore, are not reported in the funds.

1,812,484

Deferred inflows and outflows of resources related to pension activities are not financial resources and therefore not reported in the governmental funds.

(493,796)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Compensated absences	(392,393)
Finance purchase obligations	(126,475)
Bonds and notes payable	(4,630,000)
Accrued interest	(32,277)
Unamortized bond premium	(24,334)

Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not recorded as receivables or are deferred in the funds.

1,609,737

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 33,479,813

*See accompanying notes to the basic financial statements.*

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# EAST GOSHEN TOWNSHIP

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2025

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Capital Reserve Fund</u>
REVENUES			
Taxes			
Real estate	\$ 2,825,545	\$ -	\$ -
Real estate transfer	982,197	-	-
Local services tax	359,114	-	-
Earned income	6,186,836	-	-
Fees, licenses and permits	380,467	-	-
Fines and forfeits	119,124	-	-
Intergovernmental	545,954	-	-
Charges for services	839,354	-	-
Interest and rents	532,204	31,886	183,763
Miscellaneous	144,950	-	-
TOTAL REVENUES	<u>12,915,745</u>	<u>31,886</u>	<u>183,763</u>
EXPENDITURES			
Current			
General government	2,123,672	-	1,380
Public safety	6,436,580	-	-
Public works			
Sanitation	122,901	-	-
Highways and streets	1,981,885	-	-
Culture and recreation	1,113,904	-	-
Conservation and development	1,768	-	-
Debt service			
Principal	330,000	-	-
Interest and other charges	135,000	-	-
Capital outlay	-	251,573	1,282,810
TOTAL EXPENDITURES	<u>12,245,710</u>	<u>251,573</u>	<u>1,284,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>670,035</u>	<u>(219,687)</u>	<u>(1,100,427)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3	-	446,789
Transfers out	(446,789)	(959)	-
Debt proceeds	-	-	186,475
Proceeds from sale of assets	-	-	102,100
TOTAL OTHER FINANCING SOURCES (USES)	<u>(446,786)</u>	<u>(959)</u>	<u>735,364</u>
NET CHANGE IN FUND BALANCES	223,249	(220,646)	(365,063)
FUND BALANCES AT BEGINNING OF YEAR	<u>8,824,537</u>	<u>822,122</u>	<u>5,561,782</u>
FUND BALANCES AT END OF YEAR	<u>\$ 9,047,786</u>	<u>\$ 601,476</u>	<u>\$ 5,196,719</u>

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,825,545
-	982,197
-	359,114
-	6,186,836
-	380,467
-	119,124
526,277	1,072,231
-	839,354
98,311	846,164
-	144,950
<u>624,588</u>	<u>13,755,982</u>
5,011	2,130,063
-	6,436,580
-	122,901
660,837	2,642,722
-	1,113,904
-	1,768
-	330,000
-	135,000
102,341	1,636,724
<u>768,189</u>	<u>14,549,662</u>
<u>(143,601)</u>	<u>(793,680)</u>
-	446,792
(3)	(447,751)
-	186,475
-	102,100
<u>(3)</u>	<u>287,616</u>
(143,604)	(506,064)
<u>2,124,785</u>	<u>17,333,226</u>
<u>\$ 1,981,181</u>	<u>\$ 16,827,162</u>

# EAST GOSHEN TOWNSHIP

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2025

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (506,064)
Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.	(173,536)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position.	(28,353)
Net pension asset, liabilities and related deferrals are reported in the statement of activities, however they do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds.	264,670
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real estate taxes	6,886
Earned income taxes	(26,770)
New borrowings increase Governmental Funds balances; however, this is an increase to liabilities in the statement of net position.	(186,475)
Bond premiums are reported in Governmental Funds as revenues; however, in the statement of activities, the revenues from bond premiums are allocated over the term lives of debt instruments as an offset to interest expense.	2,094
Interest on long-term debt in the statement of activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	1,659
Repayment of note principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position.	390,000
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds until paid.	<u>(19,321)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (275,210)</u>

*See accompanying notes to the basic financial statements.*

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**EAST GOSHEN TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2025**

	Enterprise Funds		
	Refuse Fund	Sewer Fund	Sewer Capital Reserve Fund
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 283,094	\$ 1,370,825	\$ 1,994,705
Investments	-	478,000	250,000
Receivables, net	74,952	355,497	-
Prepaid expenses	7,074	60,716	-
<b>TOTAL CURRENT ASSETS</b>	<u>365,120</u>	<u>2,265,038</u>	<u>2,244,705</u>
<b>NONCURRENT ASSETS</b>			
Due from other funds	-	-	-
Capital assets			
Sewer treatment plant and improvements	-	19,918,364	-
Accumulated depreciation	-	(6,609,734)	-
<b>TOTAL CAPITAL ASSETS, net of accumulated depreciation</b>	<u>-</u>	<u>13,308,630</u>	<u>-</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>-</u>	<u>13,308,630</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 365,120</u>	<u>\$ 15,573,668</u>	<u>\$ 2,244,705</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 34,028	\$ 37,047	\$ -
Accrued interest	-	13,521	-
Bonds and notes payable, current	-	141,120	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>34,028</u>	<u>191,688</u>	<u>-</u>
<b>NONCURRENT LIABILITIES</b>			
Due to other funds	-	4,931,000	-
Bonds and notes payable	-	1,811,895	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>-</u>	<u>6,742,895</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>34,028</u>	<u>6,934,583</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	6,424,615	-
Unrestricted	331,092	2,214,470	2,244,705
<b>TOTAL NET POSITION</b>	<u>331,092</u>	<u>8,639,085</u>	<u>2,244,705</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 365,120</u>	<u>\$ 15,573,668</u>	<u>\$ 2,244,705</u>

*See accompanying notes to the basic financial statements.*

<u>Municipal Authority</u>	<u>Total Proprietary Funds</u>
\$ 28,367	\$ 3,676,991
-	728,000
-	430,449
1,273	69,063
<u>29,640</u>	<u>4,904,503</u>
<u>4,931,000</u>	<u>4,931,000</u>
-	19,918,364
-	(6,609,734)
-	<u>13,308,630</u>
<u>4,931,000</u>	<u>18,239,630</u>
\$ <u><u>4,960,640</u></u>	\$ <u><u>23,144,133</u></u>
\$ 19,674	\$ 90,749
3,074	16,595
<u>606,000</u>	<u>747,120</u>
<u>628,748</u>	<u>854,464</u>
-	4,931,000
<u>4,325,000</u>	<u>6,136,895</u>
<u>4,325,000</u>	<u>11,067,895</u>
<u>4,953,748</u>	<u>11,922,359</u>
-	6,424,615
<u>6,892</u>	<u>4,797,159</u>
<u>6,892</u>	<u>11,221,774</u>
\$ <u><u>4,960,640</u></u>	\$ <u><u>23,144,133</u></u>

**EAST GOSHEN TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

	Enterprise Funds		
	Refuse Fund	Sewer Fund	Sewer Capital Reserve Fund
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,372,907	\$ 4,990,242	\$ -
Lease rentals, net	-	(780,367)	-
<b>TOTAL OPERATING REVENUES</b>	<u>1,372,907</u>	<u>4,209,875</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Administrative expenses	18,227	169,874	-
Program operations	469,715	615,814	-
Contracted services	1,044,268	724,711	-
Repairs and maintenance	-	1,098,347	-
Utilities	-	122,181	-
Depreciation	-	578,908	-
<b>TOTAL OPERATING EXPENSES</b>	<u>1,532,210</u>	<u>3,309,835</u>	<u>-</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(159,303)</u>	<u>900,040</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	12,266	65,742	83,270
Capital contributions	-	-	-
Tapping fees	-	-	-
Interest expense	-	(252,177)	-
Gain on sale of capital assets	-	-	52,300
Amortization of bond premium	-	1,120	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>12,266</u>	<u>(185,315)</u>	<u>135,570</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(147,037)</u>	<u>714,725</u>	<u>135,570</u>
<b>TRANSFERS IN</b>	-	1,220,551	420,959
<b>TRANSFERS OUT</b>	<u>-</u>	<u>(563,175)</u>	<u>(512,090)</u>
<b>CHANGE IN NET POSITION</b>	<u>(147,037)</u>	<u>1,372,101</u>	<u>44,439</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>478,129</u>	<u>7,266,984</u>	<u>2,200,266</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 331,092</u>	<u>\$ 8,639,085</u>	<u>\$ 2,244,705</u>

<u>Municipal Authority</u>	<u>Total Proprietary Funds</u>
\$ -	\$ 6,363,149
780,367	-
<u>780,367</u>	<u>6,363,149</u>
49,721	237,822
-	1,085,529
116,135	1,885,114
-	1,098,347
-	122,181
<u>-</u>	<u>578,908</u>
<u>165,856</u>	<u>5,007,901</u>
<u>614,511</u>	<u>1,355,248</u>
277	161,555
(44,173)	(44,173)
2,750	2,750
-	(252,177)
-	52,300
<u>-</u>	<u>1,120</u>
<u>(41,146)</u>	<u>(78,625)</u>
<u>573,365</u>	<u>1,276,623</u>
655,265	2,296,775
<u>(1,220,551)</u>	<u>(2,295,816)</u>
8,079	1,277,582
<u>(1,187)</u>	<u>9,944,192</u>
\$ <u><u>6,892</u></u>	\$ <u><u>11,221,774</u></u>

**EAST GOSHEN TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

	Enterprise Funds		
	Refuse Fund	Sewer Fund	Sewer Capital Reserve Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,364,299	\$ 4,945,297	\$ -
Lease rental payments	-	(780,367)	-
Payments to suppliers	(1,517,185)	(2,961,294)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(152,886)	1,203,636	-
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Net investment in lease	-	-	-
Payments to other governments	-	-	-
Transfers from other funds	-	1,220,551	420,959
Transfers to other funds	-	(563,175)	(512,090)
Due to (from) other funds	-	(584,000)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	73,376	(91,131)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Tapping fees received	-	-	-
Principal payments on debt	-	(135,000)	-
Interest paid	-	(252,177)	-
Gain on sale of capital assets	-	-	52,300
Acquisition, construction and improvements of capital assets	-	(440,184)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(827,361)	52,300
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	12,266	65,742	83,270
Net sales of investments	-	(478,000)	(250,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	12,266	(412,258)	(166,730)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(140,620)	37,393	(205,561)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	423,714	1,333,432	2,200,266
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 283,094	\$ 1,370,825	\$ 1,994,705
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (159,303)	\$ 900,040	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	578,908	-
(Increase) decrease in			
Receivables, net	(8,608)	(44,945)	-
Prepaid expenses	(2,468)	9,469	-
Increase (decrease) in			
Accounts payable	17,493	(239,157)	-
Accrued interest	-	(679)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (152,886)	\$ 1,203,636	\$ -

Municipal Authority	Total Proprietary Funds
\$ -	\$ 6,309,596
780,367	-
<u>(160,929)</u>	<u>(4,639,408)</u>
619,438	1,670,188
583,635	583,635
(44,173)	(44,173)
655,265	2,296,775
(1,220,551)	(2,295,816)
<u>-</u>	<u>(584,000)</u>
(25,824)	(43,579)
2,750	2,750
(584,000)	(719,000)
-	(252,177)
-	52,300
<u>-</u>	<u>(440,184)</u>
(581,250)	(1,356,311)
277	161,555
<u>-</u>	<u>(728,000)</u>
277	(566,445)
12,641	(296,147)
<u>15,726</u>	<u>3,973,138</u>
<u>\$ 28,367</u>	<u>\$ 3,676,991</u>
\$ 614,511	\$ 1,355,248
-	578,908
-	(53,553)
(201)	6,800
5,128	(216,536)
<u>-</u>	<u>(679)</u>
<u>\$ 619,438</u>	<u>\$ 1,670,188</u>

**EAST GOSHEN TOWNSHIP**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2025**

	Pension Trust Funds		
	Firemen's Pension Fund	Non- Uniformed Pension Fund	Non- Uniformed Defined Contribution Pension Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 132,707	\$ 121,205	\$ 76,449
DROP assets	30,444	-	-
Receivables			
Employee contributions	-	-	-
State aid receivable from Non-Uniformed Plan Prepaid pension payment	61,909 6,057	- 8,735	- -
Investments			
Bond funds	1,640,033	731,258	731,258
Equity funds	2,625,055	2,832,006	1,215,678
<b>TOTAL ASSETS</b>	<b>\$ 4,496,205</b>	<b>\$ 3,693,204</b>	<b>\$ 2,023,385</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Transfer of state aid payable to Firemen Pension Plan	\$ -	\$ -	\$ 61,909
<b>NET POSITION</b>			
Restricted for pension benefits	4,496,205	3,693,204	1,961,476
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 4,496,205</b>	<b>\$ 3,693,204</b>	<b>\$ 2,023,385</b>

*See accompanying notes to the basic financial statements.*

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<u>Private- Purpose Trust Fund</u> <u>Police Pension Trust Fund</u>	<u>Total Fiduciary Funds</u>
\$ 51,977	\$ 382,338
-	30,444
-	-
-	61,909
-	14,792
492,215	3,594,764
<u>848,675</u>	<u>7,521,414</u>
<u>\$ 1,392,867</u>	<u>\$ 11,605,661</u>
\$ <u>-</u>	\$ <u>61,909</u>
<u>1,392,867</u>	<u>11,543,752</u>
<u>\$ 1,392,867</u>	<u>\$ 11,605,661</u>

**EAST GOSHEN TOWNSHIP**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

	Pension Trust Funds		
	Firemen's Pension Fund	Non- Uniformed Pension Fund	Non- Uniformed Defined Contribution Pension Fund
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 44,000	\$ -	\$ -
Employee	49,354	-	-
State	246,615	-	117,960
<b>TOTAL CONTRIBUTIONS</b>	<u>339,969</u>	<u>-</u>	<u>117,960</u>
Investment income (loss)			
Net appreciation (depreciation) in fair value of investments	483,673	441,033	212,470
Interest and dividends	108,445	94,959	50,843
Drop interest net of expenses	354	-	-
Investment expense	(21,358)	(19,419)	(10,005)
<b>TOTAL INVESTMENT INCOME</b>	<u>571,114</u>	<u>516,573</u>	<u>253,308</u>
<b>TOTAL ADDITIONS</b>	<u>911,083</u>	<u>516,573</u>	<u>371,268</u>
<b>DEDUCTIONS</b>			
Refund of excess employer contributions	-	-	18,710
Pension payments	72,679	104,814	-
Administrative expenses	10,600	12,000	7,450
Lump sum distributions	-	425,650	74,095
<b>TOTAL DEDUCTIONS</b>	<u>83,279</u>	<u>542,464</u>	<u>100,255</u>
<b>CHANGE IN NET POSITION</b>	827,804	(25,891)	271,013
<b>NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	<u>3,659,792</u>	<u>3,719,095</u>	<u>1,699,072</u>
<b>RESTATEMENT OF BEGINNING NET POSITION</b>	<u>8,609</u>	<u>-</u>	<u>(8,609)</u>
<b>NET POSTION - BEGINNING, AS RESTATED</b>	<u>3,668,401</u>	<u>3,719,095</u>	<u>1,690,463</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 4,496,205</u>	<u>\$ 3,693,204</u>	<u>\$ 1,961,476</u>



**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

East Goshen Township (the "Township") operates under a Board of Supervisors and provides public safety, health and welfare, public works, culture and recreation, conservation and development, public improvements, planning and zoning and general administrative services.

The accounting policies of the Township conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

**Reporting Entity**

The Township, for financial purposes, includes all of the funds relevant to the operation of the Township, except as noted.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the Township is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the Township's ability to impose its will over a component unit, or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the Township. In addition, component units can be other organizations for which the nature and significance of their relationship with the Township are such that exclusion would cause the Township's financial statements to be misleading. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The financial statements of the Township include the East Goshen Municipal Authority (the "Municipal Authority"), a body corporate and politic, incorporated under the Municipal Authorities Act of 1945, P. L. 382, as amended, pursuant to ordinances enacted by the Township, which is blended in these financial statements under the governing criteria of governmental accounting and financial reporting standards. A copy of the component unit's financial statements can be obtained at the Township's office located at 1580 Paoli Pike, West Chester, Pennsylvania.

The Municipal Authority is a "lease-back authority," the purpose of which is to borrow money to finance the construction or acquisition of needed facilities. These facilities are leased back to the Township, which operates them and is responsible for their proper management.

The Firemen's Pension Plan is a single employer defined benefit pension plan that provides pensions for all Goshen Fire full-time paid fire company personnel. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and a copy of the component unit's unaudited financial statements can be obtained at the Township's office located at 1580 Paoli Pike, West Chester, Pennsylvania.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Non-Uniformed Pension Plan is a single employer defined benefit pension plan that provides pensions for all full-time non-uniformed employees of the Township. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund a copy of the component unit's unaudited financial statements can be obtained at the Township's office located at 1580 Paoli Pike, West Chester, Pennsylvania.

**Fund Accounting**

The Township uses fund accounting to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The various funds of the Township are grouped into the categories governmental, proprietary and fiduciary.

The Township reports the following major Governmental Funds:

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources, except those required to be accounted for in another fund.

*Capital Reserve Fund* and *Bond Funds* are capital project funds used to account for financial resources to be used for the acquisition or construction and maintenance of major capital assets.

The Township reports the following nonmajor governmental funds:

The *Road Improvements Fund* and *Infrastructure Fund* capital project funds used to account for financial resources to be used for the acquisition or construction and maintenance of major capital.

The *State Liquid Fuels (Highway Aid) Fund* a special revenue fund, as required by state law, accounts for revenue from the State Motor License Fund (gasoline tax distribution, etc.) and the approved expenditures of such monies for highway purposes.

The Township reports the following major Proprietary Funds:

The *Refuse Fund* and *Sewer Fund* are used to account for refuse and sewer operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *Sewer Capital Reserve Fund* is used to account for financial resources to be used for the acquisition or construction and maintenance of major sewer capital assets.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Municipal Authority is a blended component unit of the Township. It was established in 1967 to finance construction of the Township's sewage collection and treatment facilities. The major function of the Municipal Authority is to provide financing for capital construction, expansion and upgrades to the Township's sewer plants and other facilities. The Township has the responsibility for daily operations of the sewer system through a leaseback arrangement with the Authority which expires in 2033.

Additionally, the Township reports the following Fiduciary Fund types:

The *Pension Trust Funds* account for the activities of the Fire, Non-Uniformed Pension and Non-Uniformed Defined Contribution Pension Plans, which accumulate resources for pension benefit payments to qualified employees. The *Police Pension Trust Fund* (a private-purpose trust fund) account for monies set aside by the Township to be used to satisfy the Township's contractual obligation to contribute its pro-rata share of the Westtown East Goshen Regional Police Commission's pension obligations.

During the current year, the Township closed the COVID Relief Fund, which had been reported as a major fund in prior periods. The closure resulted from the completion of the fund's intended purpose and the transfer of remaining assets to other Governmental Funds.

**Basis of Presentation and Accounting**

**Government-Wide Financial Statements** - The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the Proprietary Funds' financial statements but differs from the manner in which Governmental Funds' financial statements are prepared. Governmental Funds' financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Township and for each function or program of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Township. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Fund Financial Statements** - Fund financial statements report detailed information about the Township. The focus of Governmental and Proprietary Funds' financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor Governmental Funds are aggregated and presented in a single column (Other Governmental Funds). Fiduciary Funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Township finances and meets the cash flow needs of its proprietary activities.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Funds' ongoing operations. The principal operating revenues of the Township's Enterprise Funds are sewer and refuse charges. Operating expenses of the Township's Enterprise Funds include operating and administrative costs and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, all highly liquid investments purchased with an original maturity of one year or less and no restrictions on withdrawal are considered cash equivalents.

**Lease Receivable**

The Township's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the Township may receive variable lease payments that are dependent on certain factors. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the life of the related lease.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure (e.g., roads, bridges, curbs, sidewalks, drainage systems and lighting systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Township defines capital assets as assets with an initial, individual cost equal to or greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the Township are depreciated and amortized using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Vehicles	5-12
Building and improvements	5-50
Machinery, equipment and furniture	3-10
Infrastructure	5-50
Software	3

**Finance Purchase Obligations**

The Township has entered into a finance purchase arrangement for the acquisition of capital assets. This obligation is short-term in nature and is recorded as a current liability in the government-wide financial statements, with the related assets capitalized at cost.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-Term Obligations**

In the government-wide and Proprietary Funds' financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Funds' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Accrued Compensated Absences**

Employees, upon termination, will receive compensation for unused sick and vacation days accumulated. Eligible employees receive 72 sick leave hours per year and are allowed to accumulate up to 480 hours. Eligible employees may carry over a maximum of 80 vacation hours each year into their vacation reserve. Vacation reserve has no maximum limit. Any unused vacation received per year in excess of 80 hours is forfeited. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**Real Estate Tax Calendar and Reserve**

The original tax duplicate is received by the Township and given to the tax collector for mailing by February 1. The discount period extends through March 31, followed by the flat period through May 31 and ends with the penalty period after May 31. The penalty is 10%. Any unpaid taxes at the end of the year are required to be lien by January 15 with the county.

**Receivables and Payables**

External transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Allowance for Uncollectible Accounts**

The Township calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. As of December 31, 2025, the allowance for uncollectible sewer and refuse accounts receivable are \$72,634 and \$20,689, respectively.

**Fund Balance**

Township has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Township's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- ***Nonspendable Fund Balance*** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- ***Restricted Fund Balance*** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- ***Committed Fund Balance*** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
- ***Assigned Fund Balance*** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. The board did not delegate authority to an individual in 2025.
- ***Unassigned Fund Balance*** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Assigned fund balance is intended to be used by the Township for specific purposes but does not meet the criteria to be classified as restricted or committed.

The Township will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for reporting in this category. The deferred outflows relate to pension activity.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has three items that qualify for reporting in this category. The deferred inflows relates to pension activity, lease activity and unavailable revenues.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE B - DEPOSITS AND INVESTMENTS**

**Deposits**

The Township's deposits with financial institutions at December 31, 2025, consisted of checking and savings accounts as well as certificates of deposit with an original maturity of 12 months.

Statutes authorize the Township to invest in: 1) obligations, participations and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits.

***Custodial Credit Risk*** - The Township utilizes both insurance provided by the Federal Deposit Insurance Corporation (FDIC) and collateralization to guard against custodial credit risk. Under the Township's current procedures, deposits in excess of FDIC insurance are fully collateralized. The Township has adopted a deposit policy which, in accordance with state law, requires all its banking partners to pledge collateral held by an independent third-party institution, not in the Township's name, in the amount of at least 102% of the deposit value. As of December 31, 2025, \$250,000 of the Township's bank balance of \$16,536,480 was covered under FDIC insurance. \$1,543,809 was exposed to custodial credit risk, which is collateralized as described, and \$14,742,671 was invested in state investment pools which is uninsured and uncollateralized. All of the funds invested in statement investment pools are deposited in the PLGIT program. Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized rating organization and is subject to an independent annual audit.

***Credit Risk*** - Pennsylvania statutes authorize the Township to invest in U.S. Treasury bills, short-term obligations of the U.S. Government, obligations of the U.S. Government or Commonwealth of Pennsylvania or political subdivisions of the Commonwealth that are backed by the full faith and credit of the issuing government and shares of authorized investment companies provided that all of the company investments are authorized investments for a township.

In addition, the Township may invest in time deposits, savings accounts, or share accounts of institutions insured by the FDIC, FSLIC, or NCUSIF to the extent that such investments are insured and, where amounts exceed the insured maximums, that the depository pledge collateral as provided by Pennsylvania law.

**Investments**

***Interest Rate Risk*** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments with interest rate risk are selected so that the risk of interest decline below area savings accounts rates is minimal.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE B - DEPOSITS AND INVESTMENTS (Continued)**

As of December 31, 2025, the Township and its pension plans held the following investments:

Investment Type	Amortized Cost	Fair Value	Investment Maturities		
			Less Than 1 Year	1 to 5 Years	6 to 10 Years
Township					
State investment pools	\$ 4,956,000	\$ -	\$ 4,956,000	\$ -	\$ -
Pension Plans					
Bond funds	-	3,594,764	-	153,035	3,441,729
Equity funds	-	7,521,414	7,521,414	-	-
	<u>\$ 4,956,000</u>	<u>\$ 11,116,178</u>	<u>\$ 12,477,414</u>	<u>\$ 153,035</u>	<u>\$ 3,441,729</u>

A portion of the Township's investments is in the PLGIT program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT cash investments included in these statements will not be assigned a credit risk category. The carrying amount of these investments at December 31, 2025, is \$4,956,000. These assets maintain a stable net asset value of \$1 per share. All investments are monitored weekly by Standard & Poor's and are subject to an independent audit on an annual basis.

Investments held with qualifying external state investment pools are valued at amortized costs in accordance with GASB Statement No. 79. There are no withdrawal restrictions on these investments.

**Interest Rate Risk** - The Township recognizes interest rate risk and extension risk with some of the obligations. The Township has stratified its portfolio so that the investments with extension risk are comprised of monies needed on a long-term basis. Investments with interest rate risk are selected so that the risk of interest decline below area savings accounts rates is minimal.

**Fair Value Measurement** - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are those that lack significant observable inputs. The Township's investments in fixed income mutual funds and equity funds are recurring fair value measurements. These investments are valued using quoted market prices (Level 1 inputs).

**Credit Risk** - The law provides that the Township's Pension Trust Funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the Township to be prudent.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE B - DEPOSITS AND INVESTMENTS (Continued)**

The credit risk of a debt instrument as measured by a Nationally Recognized Statistical Rating Organization (NRSRO) (Morningstar, Inc. for bond mutual funds or Moody’s Investor Services for bonds and mortgages) is as follows:

INVESTMENT TYPE	<u>Fair Value</u>	<u>Credit Quality</u>
Bond funds	\$ 3,594,764	B - AA

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the pension plans will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The plans do not have a formal investment policy that addresses custodial credit risk.

Investments in external investment pools or in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed to custodial credit risk because they are held by the buyer-lender. The term securities, as used in this paragraph, includes securities underlying repurchase agreements and investment securities.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributable to the magnitude of a pension plan’s investment in a single issuer. The plans do not have a formal investment policy that addresses concentration of credit risk; however, as of December 31, 2025, no investment in any one organization represented five percent (5%) or more of total investments.

**NOTE C - RECEIVABLES**

Receivables in the government-wide financial statements are comprised of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
RECEIVABLES			
Earned income tax	\$ 1,629,419	\$ -	\$ 1,629,419
Local services tax	2,402	-	2,402
Real estate taxes	226,072	-	226,072
Sewer and refuse charges	-	430,449	430,449
	<u>\$ 1,857,893</u>	<u>\$ 430,449</u>	<u>\$ 2,288,342</u>

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE D - LEASE RECEIVABLES**

In October 2012, the Township entered into a lease with Liberty Towers that allows Liberty Towers to place their cellular service antennae in the Township. Under the lease, Liberty Towers pays the Township amounts ranging from \$4,012 to \$7,247 per month through 2042. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.00%, which is the rate the Township determined to charge the lessee.

In August 2018, the Township entered into a lease with the County of Chester for facilities. Under the lease, the County of Chester pays the Township amounts ranging from \$7,564 to \$8,518 per month through 2028. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.00%, which is the rate the Township determined to charge the lessee.

The future lease receivables at December 31, 2025, were as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 127,339	\$ 37,632	\$ 164,971
2027	133,143	33,811	166,954
2028	95,685	29,817	125,502
2029	37,761	26,946	64,707
2030	38,894	25,813	64,707
2031-2035	291,734	108,128	399,862
2036-2040	382,609	57,196	439,805
2041-2042	147,213	6,326	153,539
	<u>\$ 1,254,378</u>	<u>\$ 325,669</u>	<u>\$ 1,580,047</u>

For the year ended December 31, 2025, the Township recognized \$142,138 of lease revenue and \$41,284 of interest revenue under the leases.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payable balances as of December 31, 2025, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Municipal Authority	Sewer Revenue Fund	\$ <u><u>4,931,000</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers at December 31, 2025, are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Totals</u>
	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Sewer Fund</u>	<u>Sewer Capital Reserve Fund</u>	<u>Municipal Authority</u>	
General Fund	\$ -	\$ 446,789	\$ -	\$ -	\$ -	\$ 446,789
Bond Fund	-	-	-	959	-	959
COVID Relief Fund	3	-	-	-	-	3
Municipal Authority	-	-	1,220,551	-	-	1,220,551
Sewer Capital Reserve Fund	-	-	-	-	512,090	512,090
Sewer Fund	-	-	-	420,000	143,175	563,175
	<u>\$ 3</u>	<u>\$ 446,789</u>	<u>\$ 1,220,551</u>	<u>\$ 420,959</u>	<u>\$ 655,265</u>	<u>\$ 2,743,567</u>

The General Fund makes interfund transfers to the Capital Reserve Fund for future capital outlay. The Sewer Fund and Sewer Capital Reserve Fund transfer funds between each other as revenue becomes available, and for future capital outlay. The Sewer Fund and Sewer Capital Reserve Fund make transfers to the Municipal Authority as funds become available for purchases of capital assets and to satisfy debt service payments. The COVID Relief Fund made a transfer to the General Fund to close out the fund in the current year.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE F - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Historical treasures	\$ 24,267	\$ -	\$ -	\$ 24,267
Construction in progress	213,956	75,287	(193,425)	95,818
<b>TOTAL CAPITAL ASSETS NOT         BEING DEPRECIATED</b>	<u>238,223</u>	<u>75,287</u>	<u>(193,425)</u>	<u>120,085</u>
Capital assets being depreciated and amortized				
Infrastructure	13,218,794	-	(73,398)	13,145,396
Vehicles	1,985,569	1,047,444	(40,388)	2,992,625
Buildings and improvements	10,982,745	21,000	-	11,003,745
Software	153,500	-	-	153,500
Machinery, equipment and furniture	3,962,298	266,854	(70,117)	4,159,035
<b>TOTAL CAPITAL ASSETS         BEING DEPRECIATED         AND AMORTIZED</b>	<u>30,302,906</u>	<u>1,335,298</u>	<u>(183,903)</u>	<u>31,454,301</u>
Accumulated depreciation and amortization				
Infrastructure	(2,118,162)	(691,832)	73,398	(2,736,596)
Vehicles	(1,535,709)	(74,342)	40,388	(1,569,663)
Buildings and improvements	(6,044,128)	(256,825)	-	(6,300,953)
Software	(100,666)	(51,167)	-	(151,833)
Machinery, equipment and furniture	(1,610,870)	(316,530)	41,764	(1,885,636)
<b>TOTAL ACCUMULATED         DEPRECIATION/AMORTIZATION</b>	<u>(11,409,535)</u>	<u>(1,390,696)</u>	<u>155,550</u>	<u>(12,644,681)</u>
<b>TOTAL CAPITAL ASSETS         BEING DEPRECIATED AND         AMORTIZED, net</b>	<u>18,893,371</u>	<u>(55,398)</u>	<u>(28,353)</u>	<u>18,809,620</u>
<b>GOVERNMENTAL ACTIVITIES         CAPITAL ASSETS, net</b>	<u>19,131,594</u>	<u>19,889</u>	<u>(221,778)</u>	<u>18,929,705</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Construction in progress	282,762	-	(282,762)	-
Capital assets being depreciated				
Sewer treatment plant and improvements	19,195,418	722,946	-	19,918,364
Accumulated depreciation	(6,030,826)	(578,908)	-	(6,609,734)
<b>TOTAL CAPITAL ASSETS         BEING DEPRECIATED, net</b>	<u>13,164,592</u>	<u>144,038</u>	<u>-</u>	<u>13,308,630</u>
<b>BUSINESS-TYPE ACTIVITIES         CAPITAL ASSETS, net</b>	<u>13,447,354</u>	<u>144,038</u>	<u>(282,762)</u>	<u>13,308,630</u>
<b>CAPITAL ASSETS, net</b>	<u>\$ 32,578,948</u>	<u>\$ 163,927</u>	<u>\$ (504,540)</u>	<u>\$ 32,238,335</u>

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE F - CAPITAL ASSETS (Continued)**

Depreciation and amortization for governmental activities was charged to direct expense of the programs as follows:

General government	\$ 272,913
Public safety	673,934
Public works, sanitation	73,563
Public works, highway	260,109
Culture and recreation	109,885
Conservation and development	<u>292</u>
	<u>\$ 1,390,696</u>

**NOTE G - GENERAL LONG-TERM DEBT**

The following is a summary of changes in long-term liability activity of the Township:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and notes					
Series of 2017	\$ 4,960,000	\$ -	\$ (330,000)	\$ 4,630,000	\$ 335,000
TOTAL BONDS AND NOTES	4,960,000	-	(330,000)	4,630,000	335,000
Unamortized bond premium	26,428	-	(2,094)	24,334	2,094
Compensated absences	<u>373,072</u>	<u>19,321</u>	<u>-</u>	<u>392,393</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>5,359,500</u>	<u>19,321</u>	<u>(332,094)</u>	<u>5,046,727</u>	<u>337,094</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and notes					
Series of 2008	4,194,000	-	(455,000)	3,739,000	473,000
Series of 2013	1,321,000	-	(129,000)	1,192,000	133,000
Series of 2017	<u>2,075,000</u>	<u>-</u>	<u>(135,000)</u>	<u>1,940,000</u>	<u>140,000</u>
TOTAL BONDS AND NOTES	7,590,000	-	(719,000)	6,871,000	746,000
Unamortized bond premium	<u>14,135</u>	<u>-</u>	<u>(1,120)</u>	<u>13,015</u>	<u>1,120</u>
TOTAL BUSINESS- TYPE ACTIVITIES	<u>7,604,135</u>	<u>-</u>	<u>(720,120)</u>	<u>6,884,015</u>	<u>747,120</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>\$ 12,963,635</u>	<u>\$ 19,321</u>	<u>\$ (1,052,214)</u>	<u>\$ 11,930,742</u>	<u>\$ 1,084,214</u>

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE G - GENERAL LONG-TERM DEBT (Continued)**

Bonds and notes payable consisted of:

The Municipal Authority issued a Guaranteed Note, Series of 2008, to the DVRFA; in 2008, the note was converted from a variable rate to a fixed rate of 3.96% with maturity scheduled for 2032; interest is payable monthly, principal is payable annually and is subject to a swap agreement	\$ 3,739,000
The Municipal Authority issued a Guaranteed Note, Series of 2013, to the DVRFA; in 2013, the note was converted from a variable rate to a fixed rate of 3.049% with maturity scheduled for 2033; interest is payable monthly, principal is payable annually and is subject to a swap agreement	1,192,000
General Obligation Bonds, Series of 2017, due in annual principal installments ranging from \$20,000 to \$190,000 through October 1, 2037, interest rate is variable from 1.00% to 4.00%	1,940,000
General Obligation Bonds, Series of 2017, due in annual principal installments ranging from \$5,000 to \$450,000 through October 1, 2037, interest rate is variable from 1.00% to 4.00%	<u>4,630,000</u>
	<u>\$ 11,501,000</u>

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE G - GENERAL LONG-TERM DEBT (Continued)**

Funds to repay outstanding bonds and notes will be provided from future taxes, other general revenues and charges for services. Total interest expense incurred during the year ended December 31, 2025, was \$584,223. Interest costs incurred for the year ended December 31, 2025, were \$135,679 in the General Fund. Total interest expense charged to the Sewer Fund was \$448,544.

**Debt Service Requirements**

A summary of long-term debt service requirements to maturity, including principal and interest, other than compensated absences is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 1,081,000	\$ 361,847	\$ 1,442,847
2027	1,114,000	329,159	1,443,159
2028	1,149,000	294,776	1,443,776
2029	1,184,000	258,290	1,442,290
2030	1,225,000	218,619	1,443,619
2031 to 2035	4,488,000	507,658	4,995,658
2036 to 2037	1,260,000	38,580	1,298,580
	<u>\$ 11,501,000</u>	<u>\$ 2,008,928</u>	<u>\$ 13,509,928</u>

**Swap Agreements**

The Township financed all outstanding notes through the DVRFA. The DVRFA has, in turn, entered into interest rate swap agreements with various counterparties to provide fixed interest rates to borrowers. These agreements may be terminated under the following circumstances: (1) The DVRFA and the counterparty mutually consent to termination; (2) the borrower defaults on its loan; or (3) the DVRFA or the counterparty default or their financial conditions deteriorate to make a default imminent. Upon termination, the DVRFA would receive or make a payment depending on the market value of the related interest rate swap. If the DVRFA were obligated to make such a payment and sufficient funds were not available, the DVRFA could assess each borrower its allocable share of the termination payment.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE G - GENERAL LONG-TERM DEBT (Continued)**

At December 31, 2025, the market value of the Township's interest rate swap agreements for fixed rate loans was \$131,928 and \$133,310 for the DVRFA bonds. As of December 31, 2025, the DVRFA would have received a payment of nearly \$74.5 million if all the swap agreements were terminated. None of these amounts are reflected in the Township's statements of net position or activities at December 31, 2025.

**NOTE H - EMPLOYEE RETIREMENT PLANS**

**Firemen's Pension Plan**

***Summary of Significant Accounting Policies***

**Basis of Accounting** - The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments** - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Plan Membership** - As of December 31, 2025, membership consisted of:

Inactive plan members currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>15</u>
	<u>22</u>

**Plan Description** - The plan is a single-employer defined benefit plan that covers the East Goshen Fire Company full-time paid employees. The plan provides retirement, death and disability benefits to plan members and their beneficiaries. Benefits and contribution provisions are established by Pennsylvania law. All benefits are vested after five years of credited service.

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

***Benefits Provided*** - The following is a summary of the plan benefit provisions:

Eligibility Requirements

Normal retirement - Later of age 55 or 5 years of service, whichever occurs later

Early retirement - Age 52

Vesting - Full vesting after five years of service

Retirement Benefit

2.00% of final 60 month average salary multiplied by years and completed months of service. Offset by 0% social security; length of service increment - none

Survivor Benefit

50% of participants' vested pension amount

Disability Benefit Service and Non-Service Related

50% of final average salary, starting 90 days after the disability occurred

Post Retirement Adjustments

None

Act 44 Deferred Retirement Option Program

An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 36 months.

Members Contributions

Amount or rate - 5.0% of base pay

Interest rate credited to member contributions - 2%

***Contributions*** - Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions. The net pension obligation is the difference between the annual pension cost and the contributions made on a cumulative basis.

The plan is funded by the Township through Act 205 Pension Funds from the Commonwealth. If deemed necessary, the Township must contribute any additional funding to the plan. Member contributions are currently required at a rate of 2.25% of compensation. In accordance with Act 205, the Township was required to contribute \$184,706 to the plan for the year 2025.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

**Financial Reporting** - The plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at the Township’s office located at 1580 Paoli Pike, West Chester, Pennsylvania.

**Investment Policy Summary** - The plan’s investment policy in regard to the allocation of invested assets is established and may be amended by the Board of Township Supervisors. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The plan’s formal investment policy statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The plan’s investment policy establishes the following target allocation across asset classes:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	42.00%	5.60%
International Equities	18.00%	5.60%
Fixed income	37.00%	2.60%
Cash	3.00%	0.60%
	100.00%	

The long-term expected rate of return on the plan’s investments was determined as stated in the plan’s investment policy statement in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributable to the magnitude of a plan’s investment in a single issue. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The plan does have a formal investment policy that addresses concentration of credit risk. As of December 31, 2025, no investment in any one organization represented five percent (5%) or more of the plan’s fiduciary net position.

**Rate of Return** - For the year ended December 31, 2025, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 15.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**EAST GOSHEN TOWNSHIP**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2025

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

**Net Pension Liability (Asset) of the Township**

The components of the net pension liability (asset) of the Township at December 31, 2025, were as follows:

Total pension liability	\$ 4,044,859
Plan fiduciary net position	<u>4,496,205</u>
NET PENSION LIABILITY(ASSET)	<u>\$ (451,346)</u>
Plan fiduciary net position as a percentage of the total pension asset	<u>111.2%</u>

**Actuarial Assumptions** - The total pension liability(asset) was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	5.00%
Investment rate of return	6.75%

Mortality rates were based on the MortalityPub-2010 Safety Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected to 2030 using Mortality Improvement Scale MP-2021.

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

***Changes in the Net Pension Liability (Asset)***

	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability (Asset) <u>(a) - (b)</u>
BALANCE AT DECEMBER 31, 2024	\$ 3,575,826	\$ 3,668,401 *	\$ (92,575)
Changes for the year			
Service cost	184,853	-	184,853
Interest	244,448	-	244,448
Differences between expected and actual experience	57,908	-	57,908
Changes of assumptions	54,503	-	54,503
Contributions			
Employer & State Aid	-	290,615	(290,615)
Member	-	49,354	(49,354)
Net investment income (loss)	-	571,114	(571,114)
Benefit payments	(72,679)	(72,679)	-
Administrative expense	-	(10,600)	10,600
	<u>                    </u>	<u>                    </u>	<u>                    </u>
BALANCE AT DECEMBER 31, 2025	\$ <u>4,044,859</u>	\$ <u>4,496,205</u>	\$ <u>(451,346)</u>

\*Restated beginning net position. See Note L.

***Net Pension Liability Sensitivity*** - The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease <u>(5.75%)</u>	Current Discount Rate (6.75%) <u>                    </u>	1% Increase <u>(7.75%)</u>
Net pension (asset) liability	\$ <u>99,323</u>	\$ <u>(451,346)</u>	\$ <u>(908,015)</u>

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** - For the year ended December 31, 2025, the municipality recognized a pension expense of \$99,523. At December 31, 2025, the municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources <u>                    </u>	Deferred Inflows of Resources <u>                    </u>
Differences between expected and actual experience	\$ 49,774	\$ 87,004
Changes in assumptions	114,576	-
Net difference between projected and actual earnings on pension plan investments	-	319,299
	<u>                    </u>	<u>                    </u>
	\$ <u>164,350</u>	\$ <u>406,303</u>

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2026	\$ (7,525)
2027	(133,334)
2028	(82,501)
2029	(52,045)
2030	15,237
Thereafter	<u>18,215</u>
	<u>\$ (241,953)</u>

**Non-Uniformed Pension Plan**

***Summary of Significant Accounting Policies***

***Basis of Accounting*** - The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

***Method Used to Value Investments*** - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

***Plan Description and Contribution Information*** - Membership of the plan consisted of the following at December 31, 2025:

Inactive plan members currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	19
Active plan members	<u>-</u>
TOTAL MEMBERSHIP	<u>26</u>

***Benefits Provided*** - The following is a summary of the plan benefit provisions:

**Eligibility Requirements**

Normal retirement - Age 65 and 10 years of service

Early retirement - Age 55 with 10 or more years of service

Vesting - As of January 1, 2011, all members are 100% vested; Plan is now frozen

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

Retirement Benefit

1.25% times final average earnings times years and fractions of years. Final average is based on highest five calendar years out of the last ten calendar years.

Unmarried - life income; Married - life income, 50% to surviving spouse offset by 0% social security.

Survivor Benefit

Benefit to surviving spouse is automatic after participant is eligible for early retirement. Benefit is equal to 50% of the pension which would have been paid to the participant if he had retired.

Disability Benefit Service and Non-Service Related

10 years of service and receiving social security disability benefits. No reduction if benefit starts before age 65; same benefit as normal retirement.

Post Retirement Adjustments

None

Members Contributions

Amount or rate - None

Interest rate credited to member contributions - None

**Plan Description** - The plan is a single-employer defined benefit plan that covers all full-time non-uniform employees. The plan provides retirement benefits to plan members and their beneficiaries. Benefits and contribution provisions are established by Pennsylvania law. All benefits are vested after five years of credited service.

**Contributions** - Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions. The net pension obligation is the difference between the annual pension cost and the contributions made on a cumulative basis.

The plan is funded by the Township through Act 205 Pension Funds from the Commonwealth. If deemed necessary, the Township must contribute any additional funding to the plan. Members do not contribute to the plan. In accordance with Act 205, the Township was not required to contribute to the plan for the year 2025.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

**Financial Reporting** - The plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at the Township's office located at 1580 Paoli Pike, West Chester, Pennsylvania.

**Investment Policy Summary** - The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Board of Township Supervisors. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal investment policy statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The Plan's investment policy establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	42.00%	5.60%
International Equities	18.00%	5.60%
Fixed income	37.00%	2.60%
Cash	3.00%	0.60%
	<u>100.00%</u>	

The long-term expected rate of return on the plan's investments was determined as stated in the plan's investment policy statement in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributable to the magnitude of a plan's investment in a single issue. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The plan does have a formal investment policy that addresses concentration of credit risk. As of December 31, 2025, no investment in any one organization represented five percent (5%) or more of the plan's fiduciary net position.

**Rate of Return** - For the year ended December 31, 2025, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 15.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

**Net Pension Liability (Asset) of the Township**

The components of the net pension liability (asset) of the Township at December 31, 2025, were as follows:

Total pension liability	\$ 2,332,066
Plan fiduciary net position	<u>3,693,204</u>
NET PENSION ASSET	<u>\$ (1,361,138)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>158.4%</u>

**Actuarial Assumptions** - The total pension asset was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	0.00%
Investment rate of return	6.75%

Mortality rates were based on the MortalityPub-2010 Safety Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected to 2030 using Mortality Improvement Scale MP-2021.

**Discount Rate** - The discount rate used to measure the total pension liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability (Asset)**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
BALANCE AT DECEMBER 31, 2024	\$ 2,663,422	\$ 3,719,095	\$ (1,055,673)
Changes for the year			
Interest	164,232	-	164,232
Differences between expected and actual experience	14,693	-	14,693
Changes of assumptions	20,183	-	20,183
Net investment income (loss)	-	516,573	(516,573)
Benefit payments	(530,464)	(530,464)	-
Administrative expense	-	(12,000)	12,000
BALANCE AT DECEMBER 31, 2025	<u>\$ 2,332,066</u>	<u>\$ 3,693,204</u>	<u>\$ (1,361,138)</u>

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

**Net Pension Liability (Asset) Sensitivity** - The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease <u>(5.75%)</u>	Current Discount Rate (6.75%)	1% Increase <u>(7.75%)</u>
Net pension (asset) liability	\$ <u>(1,085,146)</u>	\$ <u>(1,361,138)</u>	\$ <u>(1,596,417)</u>

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2025, the Township recognized pension income of \$64,855. At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,087	\$ 2,566
Changes in assumptions	13,856	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>273,220</u>
	<u>\$ 23,943</u>	<u>\$ 275,786</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2026	\$ 31,267
2027	(137,608)
2028	(88,736)
2029	<u>(56,766)</u>
	<u>\$ (251,843)</u>

**EAST GOSHEN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025

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**NOTE H - EMPLOYEE RETIREMENT PLANS (Continued)**

**Non-Uniformed Defined Contribution Pension Plan**

The Township offers its non-uniformed employees and non-uniformed employees of the Westtown East Goshen Regional Police Department a deferred compensation plan created in accordance with Internal Revenue Code Section 457. For the plan year 2025, the Township contributed an allocation equal to 5.5% of the eligible participant's compensation on behalf of the participating non-uniformed employees. Participants may not contribute to this plan, and the plan does not accept rollovers or direct transfers. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Additions to an employee's account in this plan and to his or her accounts in any other defined contribution plans maintained by the Township in any year are limited to the lesser of \$70,000 or 100% of the employee's compensation. Control over plan investments is held by a committee appointed by the Board of Supervisors.

**NOTE I - JOINT AGREEMENTS**

**Police**

The Township, along with Westtown Township, established the Westtown East Goshen Regional Police Commission (the Commission), a separate legal entity, whose function is to provide comprehensive, quality police protection for the participating municipalities. The Commission consists of three voting members: one Supervisor from Westtown Township, one Supervisor from East Goshen Township and one citizen-at-large. Each Township pays the Commission its proportionate share of the Commission's annual budget allocation. For 2025, the Township's share of these costs was \$4,931,125.

The Township entered into an Intergovernmental Subsidy Agreement with Westtown Township to jointly cooperate in the development and construction of the regional police building. The Township has agreed to pay to Westtown Township an amount equal to approximately 46% of the debt service on Westtown Township's General Obligation Bonds, Series of 2004, which was used to construct the police building. The Township received an equity interest in the building equal to its contribution of approximately 46% of the costs. The Township's interest in the building is included in capital assets and its share of the debt is likewise included in long-term debt on the statement of net position.

The Township has established a Police Pension Trust Fund. The Township was not required to establish the trust, however, they did so to set aside funds to meet future obligations. The respective plan is not in the name of the Township and the individuals enrolled in the retirement plan are not employees of the Township, therefore the Township is not required to record a net pension liability.

A separate audit report is available by contacting the Westtown East Goshen Regional Police Commission at 1041 Wilmington Pike, West Chester, PA 19382.

**EAST GOSHEN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**NOTE J - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Township to purchase commercial insurance for the risks of loss to which it is exposed, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**NOTE K - CONTINGENCIES**

The Township may be a party to litigation involving various matters that have arisen in the normal course of business. Management believes the outcome of these matters will not have a material effect on the Township's financial condition.

**NOTE L - ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES**

Beginning net position of the Firemen's Pension Fund and Non-Uniformed Defined Contribution Pension Fund have been restated to reflect the allocation of prior year employer contributions between the pension plans. During the year it was determined that certain contributions recorded in the prior year for the Non-Uniformed Defined Contribution Pension Fund were instead attributable to the Firemen's Pension Fund. Based on updated actuarial information. Accordingly, those amounts have been reallocated to the appropriate plan.

The effect of this restatement is as follows:

Fiduciary Funds	12/31/2024 As Previously Reported	Adjustment for Reallocation of Prior Year Contributions Between Pension Plans	12/31/2024 Restated
Firemen's Pension Fund	\$ 3,659,792	\$ 8,609	\$ 3,668,401
Non-Uniformed Defined Contribution Pension Fund	\$ 1,699,072	\$ (8,609)	\$ 1,690,463

## **REQUIRED SUPPLEMENTARY INFORMATION**

**EAST GOSHEN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>TOTAL RESOURCES (INFLOWS)</b>				
Taxes				
Real estate	\$ 2,850,000	\$ 2,850,000	\$ 2,825,545	\$ (24,455)
Real estate transfer	850,000	850,000	844,004	(5,996)
Local services tax	350,000	350,000	356,937	6,937
Earned income	5,900,000	5,900,000	6,194,651	294,651
Fees, licenses and permits	383,400	383,400	380,467	(2,933)
Fines and forfeits	114,239	114,239	119,124	4,885
Intergovernmental	537,398	537,398	545,954	8,556
Charges for services	892,993	892,993	839,354	(53,639)
Interest and rents	434,280	434,280	511,813	77,533
Miscellaneous	90,692	90,692	178,752	88,060
Transfers	1,258,500	1,258,500	1,231,762	(26,738)
<b>AMOUNT AVAILABLE FOR     APPROPRIATION</b>	<b>13,661,502</b>	<b>13,661,502</b>	<b>14,028,363</b>	<b>366,861</b>
<b>CHANGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Current				
General government	1,888,288	1,888,288	2,092,611	(204,323)
Public safety	6,777,253	6,777,253	6,626,794	150,459
Public works				
Sanitation	227,949	227,949	220,190	7,759
Highways and streets	2,223,081	2,223,081	2,439,708	(216,627)
Culture and recreation	1,002,973	1,002,973	1,051,734	(48,761)
Conservation and development	2,000	2,000	1,679	321
Debt service				
Principal	330,000	330,000	330,000	-
Interest and other charges	135,000	135,000	135,000	-
Insurance premiums	532,566	532,566	508,863	23,703
Employee benefits	122,268	122,268	119,528	2,740
Transfers	360,250	360,250	446,789	(86,539)
<b>TOTAL CHANGES TO     APPROPRIATIONS (OUTFLOWS)</b>	<b>13,601,628</b>	<b>13,601,628</b>	<b>13,972,896</b>	<b>(371,268)</b>
<b>EXCESS OF RESOURCES     (INFLOWS) OVER CHANGES TO     APPROPRIATIONS (OUTFLOWS)</b>	<b>\$ 59,874</b>	<b>\$ 59,874</b>	<b>\$ 55,467</b>	<b>\$ (4,407)</b>

# EAST GOSHEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)

GENERAL FUND

YEAR ENDED DECEMBER 31, 2025

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## Explanation of Differences Between Budgetary and GAAP Changes in Fund Balance

Excess of resources (inflows) over changes to appropriations (outflows) from the budgetary comparison schedule	\$ 55,467
Differences - budget to GAAP	
Net effect of change in accruals of revenues	
Real estate transfer tax	138,193
Local services tax	2,177
Earned income tax	(7,815)
Interest and rents	20,391
Miscellaneous	(33,802)
Net effect of change in accruals of expenditures	
General government	24,640
Public safety	(9,949)
Public works	
Sanitation	141
Highways and streets	36,417
Culture and recreation	(5,761)
Insurance	1,783
Employee benefits	1,231
	<hr/>
CHANGE IN FUND BALANCE AS REPORTED ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS	\$ <u>223,249</u>

*See accompanying note to the budgetary comparison schedule.*

# **EAST GOSHEN TOWNSHIP**

## **NOTE TO THE BUDGETARY COMPARISON SCHEDULE**

**YEAR ENDED DECEMBER 31, 2025**

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### **NOTE A - BUDGETARY INFORMATION**

The Township's process for establishing its annual operating budget involves submission of the budget by the Township Manager to the Board of Supervisors for its approval and adoption. The Township Manager, Finance Director and the Budget Review Committee are responsible for the preparation of the annual budget.

The budgetary process consists of the evaluation and review of appropriation requests of the operating directors of the various Township departments. Revenue estimates are made throughout the process to determine the amount of Township property taxes and other revenue required to balance the budget.

The Board of Supervisors is required to introduce the budget for the following year by 20 days prior to the end of the fiscal year, after which it is advertised and reviewed at public hearings held by the Board of Supervisors of the Township. After the close of the public hearings, the Board of Supervisors approves and adopts the budget on or before December 31, the close of the Township's fiscal year.

The Township Supervisors may authorize supplemental appropriations for any lawful purpose via resolution. In addition, the Supervisors are permitted to transfer funds from one Township account to another; however, such transfers are not permitted during the first three months of the fiscal year. Appropriations lapse at the close of the fiscal year to the extent they have not been expended. It is the Township's policy to maintain budgetary control at the fund level.

The Township prepares budgets for Governmental Funds on the cash basis of accounting, which is a comprehensive basis other than accounting principles generally accepted in the United States of America.

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# EAST GOSHEN TOWNSHIP

## SCHEDULE OF CHANGES IN THE NET FIREMEN'S PENSION PLAN LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 184,853	\$ 167,099	\$ 159,142
Interest	244,448	217,838	198,596
Changes of benefit terms	-	-	-
Differences between expected and actual experience	57,908	-	(95,841)
Changes of assumptions	54,503	-	-
Benefit payments, including refunds of member contributions	<u>(72,679)</u>	<u>(72,679)</u>	<u>(72,679)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	469,033	312,258	189,218
Total pension liability, beginning	<u>3,575,826</u>	<u>3,263,568</u>	<u>3,074,350</u>
 TOTAL PENSION LIABILITY, ENDING (a)	 <u>\$ 4,044,859</u>	 <u>\$ 3,575,826</u>	 <u>\$ 3,263,568</u>
 PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 290,615	\$ 205,232	\$ 182,879
Member	49,354	49,378	46,786
Net investment income(loss)	571,114	365,742	428,422
Benefit payments, including refunds of member contributions	(72,679)	(72,679)	(72,679)
Administrative expense	<u>(10,600)</u>	<u>(5,600)</u>	<u>(9,500)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	827,804	542,073	575,908
Plan fiduciary net position, beginning	<u>3,668,401</u>	<u>3,126,328</u>	<u>2,550,420</u>
 PLAN FIDUCIARY NET POSITION, ENDING (b)	 <u>\$ 4,496,205</u>	 <u>\$ 3,668,401</u>	 <u>\$ 3,126,328</u>
 NET PENSION LIABILITY (ASSET), ENDING (a)-(b)	 <u>\$ (451,346)</u>	 <u>\$ (92,575)</u>	 <u>\$ 137,240</u>
 PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	 <u>111.2%</u>	 <u>102.6%</u>	 <u>95.8%</u>
 COVERED PAYROLL	 <u>\$ 1,340,000</u>	 <u>\$ 1,200,000</u>	 <u>\$ 1,082,028</u>
 NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	 <u>-33.7%</u>	 <u>-7.7%</u>	 <u>12.7%</u>

	2022	2021	2020	2019	2018	2017	2016
\$	165,033	\$ 147,236	\$ 126,211	\$ 120,201	\$ 57,597	\$ 54,854	\$ 52,558
	186,259	178,841	160,051	144,402	99,945	90,803	83,697
	-	-	-	483,083	-	-	-
	-	(12,036)	-	(39,536)	-	(22,361)	-
	-	127,799	-	-	-	3,143	-
	<u>(72,679)</u>	<u>(65,214)</u>	<u>(54,763)</u>	<u>(39,365)</u>	<u>(17,807)</u>	<u>(17,807)</u>	<u>(17,807)</u>
	278,613	376,626	231,499	668,785	139,735	108,632	118,448
	<u>2,795,737</u>	<u>2,419,111</u>	<u>2,187,612</u>	<u>1,518,827</u>	<u>1,379,092</u>	<u>1,270,460</u>	<u>1,152,012</u>
\$	<u><u>3,074,350</u></u>	<u><u>2,795,737</u></u>	<u><u>2,419,111</u></u>	<u><u>2,187,612</u></u>	<u><u>1,518,827</u></u>	<u><u>1,379,092</u></u>	<u><u>1,270,460</u></u>
\$	169,319	\$ 163,611	\$ 174,287	\$ 163,434	\$ 74,136	\$ 72,764	\$ 79,410
	43,728	41,260	39,701	35,013	16,478	12,697	11,281
	(451,730)	308,221	326,109	314,826	(100,700)	197,512	72,041
	(72,679)	(65,214)	(54,763)	(39,365)	(17,807)	(17,807)	(17,807)
	<u>(6,750)</u>	<u>(8,000)</u>	<u>(4,500)</u>	<u>(7,900)</u>	<u>(4,200)</u>	<u>(7,500)</u>	<u>(4,300)</u>
	(318,112)	439,878	480,834	466,008	(32,093)	257,666	140,625
	<u>2,868,532</u>	<u>2,428,654</u>	<u>1,947,820</u>	<u>1,481,812</u>	<u>1,513,905</u>	<u>1,256,239</u>	<u>1,115,614</u>
\$	<u><u>2,550,420</u></u>	<u><u>2,868,532</u></u>	<u><u>2,428,654</u></u>	<u><u>1,947,820</u></u>	<u><u>1,481,812</u></u>	<u><u>1,513,905</u></u>	<u><u>1,256,239</u></u>
\$	<u><u>523,930</u></u>	<u><u>(72,795)</u></u>	<u><u>(9,543)</u></u>	<u><u>239,792</u></u>	<u><u>37,015</u></u>	<u><u>(134,813)</u></u>	<u><u>14,221</u></u>
	<u>83.0%</u>	<u>102.6%</u>	<u>100.4%</u>	<u>89.0%</u>	<u>97.6%</u>	<u>109.8%</u>	<u>98.9%</u>
\$	<u><u>1,000,000</u></u>	<u><u>985,588</u></u>	<u><u>1,040,000</u></u>	<u><u>961,494</u></u>	<u><u>666,056</u></u>	<u><u>700,000</u></u>	<u><u>570,000</u></u>
	<u>52.4%</u>	<u>-7.4%</u>	<u>-0.9%</u>	<u>24.9%</u>	<u>5.6%</u>	<u>-19.3%</u>	<u>2.5%</u>

**EAST GOSHEN TOWNSHIP**  
**SCHEDULE OF FIREMEN'S PENSION PLAN CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 184,706	\$ 168,824	\$ 132,074
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>290,615</u>	<u>205,232</u>	<u>182,879</u>
CONTRIBUTION EXCESS	<u>\$ (105,909)</u>	<u>\$ (36,408)</u>	<u>\$ (50,805)</u>
COVERED PAYROLL	<u>\$ 1,340,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,082,028</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>21.69%</u>	<u>17.10%</u>	<u>16.90%</u>

**NOTES TO SCHEDULE**

Valuation date: January 1, 2025

Methods and assumptions used to determine contribution rates:

Actuarial cost method		Entry age
Amortization method		Level dollar
Remaining amortization period		N/A
Asset valuation method		Market value
Inflation		2.25%
Salary increases		5.00%
Investment rate of return	6.75% (Net of pension plan investment expense including inflation)	
Retirement age		55
Mortality		MortalityPub-2010 Safety Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected to 2030 using Mortality Improvement Scale MP-2021

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	124,083	\$ 152,611	\$ 161,056	\$ 92,980	\$ 65,465	\$ 59,720	\$ 48,617
	<u>169,319</u>	<u>163,611</u>	<u>174,287</u>	<u>163,434</u>	<u>81,308</u>	<u>72,764</u>	<u>79,410</u>
\$	<u>(45,236)</u>	<u>(11,000)</u>	<u>(13,231)</u>	<u>(70,454)</u>	<u>(15,843)</u>	<u>(13,044)</u>	<u>(30,793)</u>
\$	<u>1,000,000</u>	<u>985,588</u>	<u>1,040,000</u>	<u>961,494</u>	<u>666,056</u>	<u>700,000</u>	<u>570,000</u>
	<u>16.93%</u>	<u>16.60%</u>	<u>16.76%</u>	<u>17.00%</u>	<u>12.21%</u>	<u>10.39%</u>	<u>13.93%</u>

**EAST GOSHEN TOWNSHIP**  
SCHEDULE OF FIREMEN'S PENSION PLAN  
INVESTMENT RETURNS  
LAST TEN FISCAL YEARS

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	<u>2025</u>	<u>2024</u>	<u>2023</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>15.47%</u>	<u>11.57%</u>	<u>16.67%</u>

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<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u><u>-15.64%</u></u>	<u><u>12.63%</u></u>	<u><u>16.04%</u></u>	<u><u>20.59%</u></u>	<u><u>-6.68%</u></u>	<u><u>15.67%</u></u>	<u><u>6.46%</u></u>

**EAST GOSHEN TOWNSHIP**  
**SCHEDULE OF CHANGES IN THE NET NON-UNIFORMED**  
**PENSION PLAN LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
TOTAL PENSION LIABILITY			
Interest	\$ 164,232	\$ 171,727	\$ 168,059
Differences between expected and actual experience	14,693	-	(16,078)
Changes of assumptions	20,183	-	-
Benefit payments, including refunds of member contributions	<u>(530,464)</u>	<u>(104,814)</u>	<u>(122,616)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	(331,356)	66,913	29,365
Total pension liability, beginning	<u>2,663,422</u>	<u>2,596,509</u>	<u>2,567,144</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 2,332,066</u>	<u>\$ 2,663,422</u>	<u>\$ 2,596,509</u>
PLAN FIDUCIARY NET POSITION			
Net investment income	\$ 516,573	\$ 398,147	\$ 491,612
Benefit payments, including refunds of member contributions	(530,464)	(104,814)	(122,616)
Administrative expense	<u>(12,000)</u>	<u>(6,200)</u>	<u>(10,900)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(25,891)	287,133	358,096
Plan fiduciary net position, beginning	<u>3,719,095</u>	<u>3,431,962</u>	<u>3,073,866</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 3,693,204</u>	<u>\$ 3,719,095</u>	<u>\$ 3,431,962</u>
NET PENSION ASSET, ENDING (a)-(b)	<u>\$ (1,361,138)</u>	<u>\$ (1,055,673)</u>	<u>\$ (835,453)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>158.4%</u>	<u>139.6%</u>	<u>132.2%</u>
COVERED PAYROLL	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	165,435	\$ 161,423	\$ 159,900	\$ 151,560	\$ 162,956	\$ 164,144	\$ 155,548
	-	(149,854)	-	(138,861)	-	(22,325)	-
	-	167,150	-	-	-	7,114	-
	<u>(98,372)</u>	<u>(105,601)</u>	<u>(34,452)</u>	<u>(30,374)</u>	<u>(343,412)</u>	<u>(18,829)</u>	<u>(16,253)</u>
	67,063	73,118	125,448	(17,675)	(180,456)	130,104	139,295
	<u>2,500,081</u>	<u>2,426,963</u>	<u>2,301,515</u>	<u>2,319,190</u>	<u>2,499,646</u>	<u>2,369,542</u>	<u>2,230,247</u>
\$	<u>2,567,144</u>	<u>2,500,081</u>	<u>2,426,963</u>	<u>2,301,515</u>	<u>2,319,190</u>	<u>2,499,646</u>	<u>2,369,542</u>
\$	(605,401)	\$ 434,561	\$ 453,065	\$ 521,788	\$ (175,777)	\$ 431,723	\$ 187,198
	(98,372)	(105,601)	(34,452)	(30,374)	(343,412)	(18,829)	(16,253)
	<u>(4,400)</u>	<u>(9,400)</u>	<u>(5,400)</u>	<u>(9,300)</u>	<u>(4,800)</u>	<u>(8,850)</u>	<u>(4,850)</u>
	(708,173)	319,560	413,213	482,114	(523,989)	404,044	166,095
	<u>3,782,039</u>	<u>3,462,479</u>	<u>3,049,266</u>	<u>2,567,152</u>	<u>3,091,141</u>	<u>2,687,097</u>	<u>2,521,002</u>
\$	<u>3,073,866</u>	<u>3,782,039</u>	<u>3,462,479</u>	<u>3,049,266</u>	<u>2,567,152</u>	<u>3,091,141</u>	<u>2,687,097</u>
\$	<u>(506,722)</u>	<u>(1,281,958)</u>	<u>(1,035,516)</u>	<u>(747,751)</u>	<u>(247,962)</u>	<u>(591,495)</u>	<u>(317,555)</u>
	<u>119.7%</u>	<u>151.3%</u>	<u>142.7%</u>	<u>132.5%</u>	<u>110.7%</u>	<u>123.7%</u>	<u>113.4%</u>
\$	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**EAST GOSHEN TOWNSHIP**  
**SCHEDULE OF NON-UNIFORMED**  
**PENSION PLAN CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

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Schedule of Township Contributions

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
COVERED-EMPLOYEE PAYROLL	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**NOTES TO SCHEDULE**

Valuation date: January 1, 2025

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	N/A
Asset valuation method	Market value
Inflation	2.25%
Salary increases	0.00%
Investment rate of return	6.75% (Net of pension plan investment expense including inflation)
Retirement age	65
Mortality	Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected to 2030 using Mortality

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**EAST GOSHEN TOWNSHIP**  
SCHEDULE OF NON-UNIFORMED  
PENSION PLAN INVESTMENT RETURNS  
LAST TEN FISCAL YEARS

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	<u>2025</u>	<u>2024</u>	<u>2023</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>15.86%</u>	<u>11.79%</u>	<u>16.40%</u>

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<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u><u>-16.17%</u></u>	<u><u>12.83%</u></u>	<u><u>14.93%</u></u>	<u><u>20.52%</u></u>	<u><u>-6.12%</u></u>	<u><u>16.16%</u></u>	<u><u>7.92%</u></u>

## **SUPPLEMENTARY INFORMATION**

**EAST GOSHEN TOWNSHIP**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2025**

	State Liquid Fuels Highway Aid Fund	Road Improvements Fund	Infrastructure Fund	<i>(Closed During the Year)</i> COVID Relief Fund	Total Other Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,256	\$ 536,864	\$ 695,201	\$ -	\$ 1,233,321
Investments	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>750,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,256</u></b>	<b><u>\$ 536,864</u></b>	<b><u>\$ 1,445,201</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,983,321</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,140</u>	<u>\$ -</u>	<u>\$ 2,140</u>
<b>FUND BALANCES</b>					
Restricted for					
Road improvements	\$ -	\$ 536,864	\$ -	\$ -	\$ 536,864
Infrastructure projects	-	-	1,443,061	-	1,443,061
Other projects	<u>1,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,256</u>
<b>TOTAL FUND BALANCES</b>	<b><u>\$ 1,256</u></b>	<b><u>\$ 536,864</u></b>	<b><u>\$ 1,443,061</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,981,181</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,256</u></b>	<b><u>\$ 536,864</u></b>	<b><u>\$ 1,445,201</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,983,321</u></b>

See accompanying notes to the basic financial statements.

**EAST GOSHEN TOWNSHIP**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2025

	State Liquid Fuels Highway Aid Fund	Road Improvements Fund	Infrastructure Fund	(Closed During the Year) COVID Relief Fund	Total Other Governmental Funds
<b>REVENUES</b>					
Intergovernmental	\$ 526,277	\$ -	\$ -	\$ -	\$ 526,277
Investment earnings	18,560	22,826	56,202	723	98,311
<b>TOTAL REVENUES</b>	<u>544,837</u>	<u>22,826</u>	<u>56,202</u>	<u>723</u>	<u>624,588</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	5,011	5,011
Highways and streets	544,801	6,435	109,601	-	660,837
Capital outlay	-	-	72,755	29,586	102,341
<b>TOTAL EXPENDITURES</b>	<u>544,801</u>	<u>6,435</u>	<u>182,356</u>	<u>34,597</u>	<u>768,189</u>
<b>SURPLUS(DEFICIT) OF REVENUES OVER EXPENDITURES</b>					
	<u>36</u>	<u>16,391</u>	<u>(126,154)</u>	<u>(33,874)</u>	<u>(143,601)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	-	(3)	(3)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	36	16,391	(126,154)	(33,877)	(143,604)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>					
	<u>1,220</u>	<u>520,473</u>	<u>1,569,215</u>	<u>33,877</u>	<u>2,124,785</u>
<b>FUND BALANCES AT END OF YEAR</b>					
	<u>\$ 1,256</u>	<u>\$ 536,864</u>	<u>\$ 1,443,061</u>	<u>\$ -</u>	<u>\$ 1,981,181</u>

See accompanying notes to the basic financial statements.